

UNIVERSITI TEKNOLOGI MARA

**THE EMPIRICAL EVIDENCE OF
VALUE INNOVATION THROUGH
THE IMPLEMENTATION OF
NATIONAL BLUE OCEAN
STRATEGY (NBOS) IN THE
MALAYSIAN PUBLIC SECTOR**

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Thesis submitted in fulfillment
of the requirements for the degree of
Master of Administrative Science

**Faculty of Administrative Science and Policy
Studies**

February 2020

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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the Implementation of National Blue Ocean Strategy
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ABSTRACT

The purpose of this study is to provide insights and empirical evidence of value innovation through the implementation of the National Blue Ocean Strategy (NBOS) in the Malaysian public sector. The focus of this study is to examine the usage of NBOS tools and framework. Four objectives of the research are, to examine the application of the four action framework (eliminate, reduce, raised and create); to identify the value innovation created through the implementation of NBOS; to investigate the relationship between value innovation and the four action framework and finally to identify the role of knowledge in moderating the relationship between the four action framework and the value innovation. The conceptual framework is depicted by having the four action framework as the independent variables (eliminate, reduce, raised and create), value innovation as the dependent variable and knowledge as the moderating variable. Self-administered questionnaire was distributed to 210 respondents (NBOS key informant) to 13 leading Ministries with 79% (166 respondents) rate of response. Data cleaning, normality, factor analysis and reliability test was conducted. The result of the factor analysis collapses the variable of eliminate and reduce to become one, resulting into the change of the conceptual framework, from 4 independent variables to three independent variables (eliminate-reduce, raised and create). Frequency count was utilised to analyse the tools used in implementing NBOS and it was found that the four action framework and strategy canvas was used by all Ministries in this study. Next, the level of value innovation was analysed using mean, giving a mean value of 3.70 on the scale of 5, which means value innovation is between above moderate to high. Value innovation created was also assessed through the thematic analysis and the findings showed 6 dominant elements, namely, creativity and innovation, public appreciation, reduce in silo mentality, fast service delivery, less cost and continuity and cooperation. Multiple Regression analysis was then applied to gauge the relationship between the four action framework and value innovation. The results supported all the three hypotheses with significant level of 0.01. The moderation effect was tested by using Process by Hayes, indicating that knowledge does not moderate the relationship between the four action framework and value innovation, therefore not supporting the hypotheses. The application of NBOS tools exemplified the principles of low cost, high impact and rapid execution. It is concluded that NBOS tools played a very important role in value creation.

ACKNOWLEDGEMENT

ASSALAMUALAIKUM W.B.T

This research would not be feasible without the support of many people First of all; I am gratefully to Al- Mighty of Allah for giving me opportunity, energy, times and ideas to complete my research. Without the grace of Allah, I am never finishing this research. Foremost, I would like to express my sincere gratitude and special thanks to my parents Haji Ramli bin Derahman and Hajah Adnin binti Zakaria for their encouragement, financial assistance and moral support.

My special thanks go to my supervisors, Prof Dr. Jasmine binti Ahmad and Associate Prof Dr. Nor Hafizah binti Mohamed Harith for their continuous support, endless encouragement, guidance, patience and support, motivation, brilliant ideas, enthusiasm, and immense knowledge in successfully and efficiently developing and completing this research. I am eternally grateful for their motivation and continual cooperation throughout the developing of the research. The completion of this research would be next to impossible without them.

My collective thanks also go to many people who have contributed directly and indirectly to this research. In particular, I would like to express my greatest appreciation to lecturers and postgraduate students under Faculty of Administrative Science and Policy Studies that always support and give attention to solve the problem by exchanging the ideas that they obtain. My appreciation also goes to the respondents from various ministries and government agencies who gives positive feedback during my data collection process. Last but not least, I am most grateful to my AM780 friends who give a lot of support especially in terms of moral support in order to complete this research.

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